Decline in export of Readymade Garments

3312. SHRI YADLAPATI VENKAT RAO:
SHRI RUMANDLA RAMACHANDRAIAH:

Will the Minister of TEXTILES be pleased to state:

(a) whether there has been a steep decline in the export of readymade garments from India during the last six months;

(b) if so, the extent of decline during this period as compared to export in corresponding months last year; and

(c) the steps being taken to increase exports?

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI V. DHANANJAY KUMAR): (a) and (b) As per latest available DGCI&S data, the exports of readymade garment during the last six month *i.e.* August-January 2001-02 amounted to US$ 2506.7 million as against the exports of US$ 2589.0 million during the same period of 2000-01, recording a negative growth of 3.2%.

(c) The various export facilities extended by the Government *inter-alia* to garment exporters include duty drawback, concessional rate of duty for import of machineries under EPCG Scheme, allowing import of restricted items under the Advance Licence Scheme of the Export-Import Policy, duty free import of essential items of trimmings and embellishments like fastners, polywadding, labels, tags, buttons, hangers, stickers, polybags and lining and interlining materials, full/partial exemption under 80HHC of Income Tax.

Government have also been taking several steps from time to time to strengthen and promote textile exports including readymade garments. Some of the important initiatives are:—

(i) The Government has de-reserved the woven segment of readymade garment from the SSI sector. It has also announced the de-reserved of knitted segment in the Budget 2002-03.

(ii) The Technology Upgradation Fund Scheme (TUFS) has been made operational from 1-4-1999 to facilitate the modernisation and upgradation of this sector so that it can become more competitive in international trade.

(iii) Weaving, processing and garment machinery, which are covered under TUFS, have been extended the facility of accelerated depreciation at the rate of 50%. Cost of machinery has also been reduced through Fiscal Policy measures.

(iv) With a view to encouraging backward integration, the custom duty on shuttleless looms has been brought to 5%. A programme has also been announced to induct 50,000 shuttleless looms and to modernise 2.5 lakh powerlooms in the decentralised sector by 2004.

(v) Foreign equity participation upto 100% through automatic route has been allowed in the textile sector with a few exceptions.

(vi) National Institute for Fashion Technology (NIFT), its six branches and Apparel Training and Design Centres (ATDCs) are running various courses/programmes to meet skilled manpower requirements of textile industry especially apparel in the field of design, merchandising and marketing.

(vii) To prepare and sensitise the textile industry to conform to the ecological requirements of importing countries by providing facilities by way of eco-testing laboratories.

Producing world class state-of-the-art material

3313. SHRI LAJPAT RAI: Will the Minister of TEXTILES be pleased to state:

(a) whether it is a fact that different sectors of the Textile Industry are capable of producing world class state-of-the-art material;

(b) if not, whether the deficiencies have been identified, industry-wise; and

(c) if so, how long will it take to come up to the required level?

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI V. DHANANJAY KUMAR): (a) to (c) Although the Indian textile industry has the potential of producing world class, state-of-the-art material, most sectors suffer from lack of modernization, shortage of capital, high costs of credit, low labour productivity, poor attention to design and quality issues, etc. National Textile Policy 2000 announced by the Government in November 2000 seeks to address these issues in order to develop in, as short a time as possible, a strong and vibrant industry capable of producing good quality cloth at